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## **Conclusion: Main Highlights about Social Enterprise in Asia**

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This book likely represents one of the most extensive descriptions so far of the reality of social enterprise in large parts of Asia. It provides an insight into the diversity and complexity of social enterprise in this region, showing that this entrepreneurial form is developing everywhere but still remains under construction and in constant transformation. The various contributions to the volume document the main features and concrete forms of SE models in ten Asian countries, and they help identifying the specific forms of social enterprise or specific important issues with which social enterprises deal in Asia. This volume also helps assessing whether it can be argued that there is an Asian conception of social enterprise, with specific features or with a specific combination of features that make it different from other conceptions—in particular, the European one, which is strongly embedded in welfare policies, and the American one, which is closely related to the idea of reliance on market resources (Defourny and Nyssens 2010). This book does not pretend to bring a definitive answer to this question, but it allows us to highlight some special “colours” of social enterprise in Asia.

### **SPECIFIC LEGAL FRAMEWORKS THAT ARE STILL EMBRYONIC**

Legal frameworks available for social enterprise and public policies tailored for their promotion appear to have achieved very different levels of development and to be designed in very different ways across countries. Most countries do have a legal framework for non-profit organisations and for cooperatives, but only few have adopted a specific legal framework explicitly targeting social enterprise, and none offers a full and distinct legal status for social enterprise. Therefore, many social enterprises operate under the non-profit or the cooperative legal form, sometimes within a legal framework especially designed for non-profit cooperatives (which are frequently referred to as “social cooperatives”). Everywhere, however, there are also conventional firms, registered for example as limited-liability companies, but which pursue a social aim. This diversity of situations reflects different attitudes towards social enterprise and different stages of development of the latter.

The 2006 Law for the Promotion of Social Enterprise in Korea seems to be among the earliest forms of legal recognition of social enterprise in Asia. It certainly is one of the most developed schemes supporting their development; this is all the more true that it generated other supplementary schemes also targeting social enterprise. More recently, in 2015, Thailand enacted a Social Enterprise Promotion Bill, which provides a formal definition of social enterprise. Also in 2015, China witnessed the emergence of a certification scheme for social enterprise, which is supported by several research institutes and practitioners in the Chinese social sector. As for the situation in the Philippines, a Bill for Poverty Reduction through Social Entrepreneurship (the so-called “PRESENT Bill”) has been under discussion for a few years in the country. In Japan, on the contrary, as in several other Asian countries, there is neither a common definition of social enterprise nor any specific public policy to promote it.

Considering specific legal recognition as one of the strongest indicators of institutionalisation, social enterprises appear to be little institutionalised in Asia. In most countries of this region, however, some type of support, and sometimes a definition of social enterprise, are somehow included in a larger legal framework, targeting cooperatives or enterprises at large. However, it may also be stated that the different legal—or at least official—texts dealing with social enterprise, although they concern organisational forms located outside the boundaries of the non-profit sector, are all inspired by private entrepreneurial forms where the distribution of profits is either strongly limited or fully prohibited.

## **SOCIAL INCLUSION AND CARE PROVISION AS KEY SOCIAL MISSIONS**

Many social enterprises have their roots in a transformation of traditional solidarity patterns that results in a general tendency to externalise social services outside the familial sphere and/or to reduce the scope of public solidarity (especially in former or reformed Communist countries). Examples show that the social mission of social enterprises is quite systematically related to one or more of the following fields and challenges: work integration of disadvantaged groups, provision of social services and community development. In countries like Japan and South Korea, which are facing a rapid ageing of their population, social enterprises are even involved and officially identified in recently established long-term care insurance schemes as appropriate services providers.

Job creation is a major goal for many social enterprises. Our survey shows that this goal may be related either with the poverty/inclusion issue or with the care-provision/well-being issue. The various contributions to the present volume allow however to outline a stronger orientation, among Asian countries, towards the poverty/inclusion issue, based on an idea of social enterprise as addressing the bottom of the economic pyramid or the share of the population that may be considered as poor. Analysing data from the point of view of Paugam's (2005) typology, it appears that this orientation is naturally stronger in countries where poverty may be qualified as “integrated”, i.e. where large sections of the population are poor and the poor are therefore not strongly stigmatised by society (Cambodia, Indonesia, Vietnam, India and the Philippines), but it is also an important orientation in the most advanced countries (Japan, South Korea or Taiwan), where the relative poverty rate is higher than in many OECD countries, although poverty in these countries can be considered as “marginal”, i.e. a more restricted number of people are considered as poor and the situation of poverty is therefore more stigmatising for the persons concerned.

The social mission of many Asian social enterprises thus appears to be more deeply rooted in poverty alleviation than that of their counterparts in Western societies, where a larger share of social enterprises pursue various societal goals, linked to the promotion of sustainable development, organic and local food, energy transition, the circular economy, etc. In the countries where poverty is integrated, social enterprises are emerging as a major player to help provide a living for a large share of the population and to support its emancipation in an environment where the welfare system is extremely residual, if not embryonic. In the countries where poverty is more marginal or residual, social enterprise tends to be considered as an appropriate tool for new public/private partnerships targeting specific categories in environments where the welfare system is reasonably developed and includes some universal scheme.

The poor are thus generally a major target of Asian social enterprises. Other targets include underprivileged groups: the handicapped, the young, people from rural communities and

ethnic groups in Southeast Asia, the elderly and the unemployed—including middle-aged women—in South Korea or Japan. Social enterprises offer them work opportunities or help them increase their employability (work-integration social enterprises), and/or they provide them with social and health services (services-provision social enterprises). The category targeted by the social enterprise may be very broad (the poor, the elderly, the young, the jobless, etc.) or it may be more strictly delimited and depend on the existence and importance of specific disadvantaged groups in a given context (North Korean refugees in South Korea, specific ethnic communities in Vietnam, etc.).

Several contributions to the present volume also outline the link between social enterprise and agriculture. It should be noted that, as appears from the chapters about Japan, South Korea and Taiwan, such observation is not limited to the less developed countries, where rural population and agriculture still represent a major share of the country's population/economic activity. Social enterprise is largely perceived indeed as an efficient tool to contribute to rural community development and especially to improve the living conditions of farmers through a better and larger distribution of their production and/or through the production of higher-quality agricultural goods (including organic food).

### **PARTNERSHIPS, RESOURCE MIX AND AUTONOMY AS MAJOR ASSETS**

The various contributions to the book reveal the existence of different dominant partnerships and/or forms of resource mix among the surveyed countries.

In the poorest countries, like the Philippines, Vietnam or Cambodia, the funding of social enterprise often relies on private external resources. Some are brought by international NGOs or foundations, such as Ashoka in Indonesia or Cambodia, the Thrive Foundation in Vietnam, the Schwab Foundation or EcoSolidar in Cambodia, or the Peace and Equity Foundation in the Philippines. Others are provided by foreign customers *qua* consumers of goods and services produced by local social enterprises and sold domestically to foreign tourists or exported, for instance through fair-trade channels. In some cases, such private external resources are combined with “external” public resources, provided by foreign public agencies engaged in international aid and/or international organisations, like the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) or the United Nations Development Programme (UNDP). The British Council also seems particularly active in the promotion of social enterprise in several Asian countries, especially in China.

In more advanced countries, like Japan, South Korea or Taiwan, social enterprises have a higher level of domestic resources. Such resources come from both the private sector at large (i.e. big corporations in the framework of their CSR strategies, private social foundations and individual consumers belonging mostly to the upper middle-class) and from the public sector, which plays an important role through specific policy measures. Taiwan, for example, has a mandatory requirement that part of government agencies' procurements come from work-integration social enterprises, while South Korea probably has one of the most complex and elaborate public ecosystem for the promotion of social enterprise.

Asian experiences suggest that, like in Western countries, the nature and balance of the resource mix are critical for social enterprises' sustainability; such resource mix also constitutes a source of tensions and dilemmas, which may sometimes result in the enterprise moving away from its initial social aim and/or in excessive dependency on a dominant source of funding, be it private or public.

The issue of reliance on a dominant source of funding also raises the question of social enterprises' autonomy. These enterprises indeed have to achieve a balance between three poles, i.e. the government, civil society and the corporate sector. In the Asian context, where civil society has until recently remained underdeveloped and under strict political control, autonomy is a complex issue, which has to be considered in relation with the influence of the (central and local) governments but also in relation with the influence of the private sector, including big local companies (like Chaebol in South Korea or Keiretsu in Japan), international venture foundations and international NGOs. Well-balanced partnerships with one or several of these various actors are usually a way—and often a condition—to ensure the resilience of social enterprises but, for various reasons, such partnerships are not easy to achieve and to keep working. These reasons are often related to the historical and cultural background against which social enterprises develop, and more specifically to the weakness of civil society in recently democratised countries, the tradition of state intervention in countries influenced by the Confucian philosophy and/or by the Communist ideology, and the permanency of foreign influence in countries that have only a few decades ago escaped Japanese, English, French or American colonialism. In contexts where behaviours and ways of thinking remain deeply anchored in the strict respect of hierarchical schemes, democratic governance has long remained an unfamiliar principle. It should be stressed, however, that the interest for social enterprise, as well as an orientation towards less controlled societies, has recently contributed to the emergence of new and more autonomous entrepreneurial forms, including new cooperatives in countries where the cooperative model had long been considered only as a tool of government policy.

In such an environment, the targeted groups do not always have the capacity to express their expectations and concrete demands for goods and services. The emergence of social enterprise thus seems to depend to a significant extent on the involvement and responsibility of “enlightened” public leaders or civic activists, and upon various intermediary bodies, including local governments or schemes, social-welfare foundations, incubators, agencies, etc. These various actors reflect the importance of the “meso level”—both between individuals and macro public policies targeting them, and between social enterprises and national-level public authorities or international public or private agencies—for the emergence and development of social enterprise.

## **SOCIAL ENTERPRISE AND RELIGION**

Following the famous early contribution by Weber stressing the role of the Christian (and especially Protestant) ethos in the development of European capitalism, numerous works have tried to analyse how particular religious values can influence economic institutions and more specifically entrepreneurship. In a similar vein, Granovetter (1995) made an analysis of immigrant entrepreneurship in several Asian countries that stressed the central role of so-called “social coupling” and “decoupling”: religious values can generate the creation of and linkage to new bonds that act as a support for entrepreneurship (coupling), but they may also make it more difficult—if not impossible—to find the necessary distance between economic performance and solidarity duties (decoupling). James (1989) proposed what is often considered as the basis for a theoretical framework to analyse more specifically the relation between religion and third-sector organisations, suggesting that the third sector is usually more developed in societies where religious heterogeneity is higher. Religion—and more specifically religious diversity—thus appears to be, in many cases, a prominent force for

social development and entrepreneurship, but it may also sometimes act as an inhibiting factor affecting entrepreneurship.

The countries surveyed in this book vary considerably with regard to religious practice and influence: Buddhism and Christianity are very influential in South Korea, while Japan is predominantly Buddhist and Shintoist; Buddhism and Hinduism dominate in India; Islam, in Malaysia and Indonesia; Catholicism, in the Philippines... In most countries, especially in the North-Eastern part of Asia, Confucianism also deeply contributes to social regulation. But beyond this diversity in terms of religious practice and religious syncretism, religions appear to be a major source of inspiration for the launching of social enterprises in all the surveyed countries (except maybe in China); indeed, faith is often an important motivator for setting up social enterprises, although it is rather difficult to get an objective picture of the situation in this regard, as related data are far from being systematically collected. Pratano *et al.* (chapter 4 in the present volume) show the important role played by religious organisations in solving social problems in Asia. In India (see chapter 3 in this book), it is argued that a quarter of non-profits engaged in social-development activities have a religious identification. Experiences described in Taiwan, South Korea or Thailand (chapters 6, 5 and 11, and 7 respectively) show the involvement of religious groups as launchers or co-launchers of numerous social enterprises. The comparative analysis carried out by Lyne *et al.* (see chapter 14) provides a deeper insight into the relation between religion and social enterprise, showing, through the examination of three cases, respectively in South Korea, Malaysia and Cambodia, how social entrepreneurship is culture-bound and especially religion-bound.

Many Asian social enterprises may indeed be considered as “faith-based enterprises”, motivated by spiritual values and a religious work ethic, combining the ideas of charity and self-reliance, and aiming to promote equitable local economic development and the provision of services at a fair price, making them accessible to everybody. Such social enterprises are perceived as an appropriate expression of religious values in the economic sphere and, through their action, as a proselytising vector for these religious values among the groups they target and in society at large. This may sometimes lead some enterprises to “select” the poor they support on the basis of their religious orientation, as has been stressed by Castel (1995), which raises the question of an equal access to their programme and support. This embeddedness of social enterprises into religion may also raise the question of their autonomy, as faith-based enterprises often largely rely on financial support and other resources (such as volunteering) provided by religious networks and churches. The social enterprise’s autonomy and legitimacy is sometimes questioned when the enterprise is faced with priorities set up through “external” decision-making processes.

## **BACK TO THE THESIS OF THE ICSEM PROJECT**

In this concluding chapter, we have tried to synthesise the features of the SE landscape that appear either specific to Asian countries or more significant there than in other world regions. In spite of empirical limitations, the ICSEM survey and database revealed or confirmed distinctive patterns of social enterprise in Asia: a major development of social enterprises rooted in the non-profit sector; a clearly strong “social business” model; a wide spectrum of work-integration social enterprises, including various types of firms launched by a parent NPO; a weaker development of social cooperatives—a situation that can at least partly be accounted for by the legacy of cooperatives associated to communism or used as state agencies in most dictatorial regimes; more broadly, a clear influence of historical, political,

social, cultural and religious factors on SE landscapes, and particularly on issues of autonomy and governance patterns.

These particular colours of Asian social enterprises add to the overall diversity of SE models at the world level. In other words, this volume is fully consistent with what has been the major objective of the ICSEM Project from the outset, i.e. documenting and analysing such diversity. Moreover, this volume also contributes to defending the underlying thesis of the entire Project: combining conceptual, theoretical and empirical efforts to grasp SE models in their own environment is probably the most fruitful strategy to seize and efficiently unlock the potential of social enterprises. Such thesis is clearly connected to a broad societal perspective, which was synthesised as follows by Defourny and Nyssens:

*[We] tend to consider as good news the fact that social enterprises may and actually do stem from all parts of the economy. Our societies are facing so many and so complicated challenges at all levels—from the local to the global level—that we see the diversity of SE models and their internal variety as a sign of a broadly shared willingness to develop appropriate, although sometimes embryonic, responses on the basis of innovative economic/business models driven by a social mission. In spite of their weaknesses, social enterprises may be seen as advocates and vehicles of the general interest across the whole economy. Of course, we cannot escape from the debate about privatisation, deregulation and globalised market competition, [which] may hinder efforts in the search for the common good. We just note that social enterprises reveal or confirm an overall trend towards new ways of sharing the responsibility for the common good in today's economies and societies.*

Defourny and Nyssens (2017: 2495).

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